

CLINTON ST. CLAIR

IBLA 76-364

Decided November 15, 1976

Appeal from a decision of the Montana State Office, Bureau of Land Management, denying assignments of oil and gas lease M-10582 (Acq.).

Vacated and remanded.

1. Oil and Gas Leases: Assignments or Transfers

Where approval of an assignment of interest in an oil and gas lease has been refused by the Bureau of Land Management until such time as the assignor supplies proof from the United States Geological Survey of proper plugging and surface rehabilitation, or the assignee submits a bond relating thereto, and subsequent to the appeal, the Geological Survey provides the Bureau of Land Management with notification of approval of surface restoration, the decision refusing approval will be vacated and the case file will be remanded for further consideration of the assignments.

APPEARANCES: Clinton St. Clair, pro se.

OPINION BY ADMINISTRATIVE JUDGE HENRIQUES

Clinton St. Clair has appealed from two decisions of the Montana State Office, Bureau of Land Management, dated November 17, 1975, denying assignments of 25 percent and 50 percent respectively to Aztec Oil & Gas Company, and to Denison Mines (U.S.), Incorporated, of the 100 percent interest held by him in oil and gas lease M-10582 (Acq.). The decision of the State Office was premised on the fact that appellant had not obtained proof of proper well plugging and surface restoration of a well site located on the

leasehold. The decision also noted that appellant had not availed himself of the other options offered by the State Office: namely, having the assignees file bonds conditioned to absorb liabilities for the drilling of the well, including but not limited to the proper plugging and surface restoration of the well site, or alternatively withdrawing the assignments.

[1] Appellant contends that he has done everything within his power to properly restore the surface of the well site, and that all that remained to be accomplished at the time of the rejection of the assignments was the reseeded of the site. He argues that in view of his good faith efforts to reseed, his assignments ought not to have been rejected.

We disagree. We find that the actions of the State Office in requiring either the posting of a bond or the obtaining from the Geological Survey of approval of final well abandonment and surface restoration comport with its obligations under the Mineral Leasing Acts. See e.g., 43 CFR 3106.2-3. The actions of the State Office were proper.

We are aware, however, that on June 28, 1976, the District Engineer, U.S.G.S., informed the Montana State Office, BLM, that the Geological Survey had approved abandonment of the well and surface restoration effective June 16, 1976. As this meets the requirements of one of the alternatives offered to appellant by the State Office, we will vacate the decision and remand the case file for further appropriate action. Since Denison Mines Ltd. has already informed this Board of its desire to withdraw its assignment, the State Office should ascertain whether the other parties to the assignment wish to proceed with the assignment.

Accordingly, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision appealed from is vacated and the case file is remanded for such appropriate action as the State Office deems necessary.

Douglas E. Henriques
Administrative Judge

We concur.

Joseph W. Goss
Administrative Judge

Anne Poindexter Lewis
Administrative Judge

